Ongoing commitment to sustainable

ARCELORMITTAL SOUTH AFRICA SPOKESPERSON

IN order to live up to our brand promise of "Transforming Tomorrow", we are committed to the highest standards of corporate responsibility (CR). This is not only a matter of good corporate citizenship; the ability to demonstrate good social and community development practices makes us an attractive partner and opens up new business opportunities.

Our strategic goals include creating industry-leading value for shareholders, improving our operating capabilities, building on our existing performance culture and, crucially, being a responsible corporate citizen.

We realise that an ongoing commitment to sustainable business practices will prove critical to achieving these goals and providing the kind of leadership that will transform the steel industry on the continent.

Sustainability, along with quality and leadership, is one our three newly adopted brand values. In guiding the evolution of steel to secure the best future for the industry, we remain mindful of our responsibility to the people in whom we invest, the communities we support and the environment in which we operate. This long-term approach is central to our business philosophy and inextricably linked to our future financial prosperity.

We think of sustainability in terms of three dimenions:

- Health and safety;
- Environmental responsibility; and
- Engagement with stakeholders.

This philosophy manifests itself in an array of safety, health, environmental and social investment programmes, which represent the human interface of the organisation and is aimed at the well being of the company's key stakeholders, both in the operating environment and within society.

ArcelorMittal South Africa remains fully committed to further broad-based black economic empowerment (BBBEE), recognising that it is the cornerstone of a strong, sustainable economy. We have renewed our focus on transforming the company and improving its empowerment status on all the elements identified in the Department of Trade & Industry's codes of good practice.

With board and executive level representation the company ensures that sustainable development activities receive the highest level of attention. Details of our activities on all fronts of sustainability are contained in the sustainability reports at www.arcelormittalsa.com.

The impact that our operations have on the planet is one of the most important sustainability issues for our company

Today's steel has adapted itself to the needs of sustainable economies and is stronger, lighter and less carbon-intensive than ever before. Once produced, it is a genuinely renewable resource. With our innovations, steel is creating products that a sustainable world needs: lighter-weight cars and packaging, low-carbon buildings and energy generation, water treatment plants, public transport systems and flood defences.

Nonetheless, steelmaking is a resource-intensive process. We are committed to improving the environmental impacts of this through process innovation, good management and investment. In this way, we can create value not only for our customers, but for our communities and the world around us.

The sustainability of steel

The demands of a more sustainable world mean that steel must be sustainable. This is influenced by three levers: the environmental impacts steel has in production; the impacts it has in use; and the amount of steel products society consumes per head of population.

ArcelorMittal's response is focused on directly influencing the first two of these levers, the impact of steelmaking and the functional efficiency of steel. The third concerns choices that society makes, something we are concerned with indirectly, through our contributions to society's understanding of the true impact of steel. We think there are four ways in which we can create sustainable value through steel:

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Creating products that reduce sustainability impacts in use, such as advanced high strength steel for vehicles and solutions for low carbon

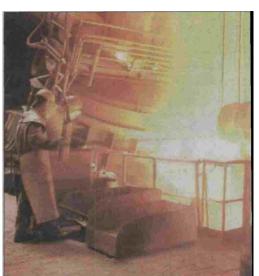


buildings

- Creating infrastructure for sustainable economies, such as water treatment facilities and flood defences;
- Improving the immediate impact of our production processes, such as innovating the steelmak-

ing process, investing in de-dusting equipment and energy efficiency programmes; and

 Promoting the lifecycle approach to evaluating the sustainability impact of materials, through modelling, environmental product labelling and research to improve scrap recovery rates.



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business practices in the steel industry

